ORIGINAL



<u>MEMORANDUM</u>

TO:

Docket Control

FROM:

Ernest G. Johnson

Director

Utilities Division

Date:

October 18, 2006

RE:

STAFF REPORT FOR LIVCO WATER COMPANY AND LIVCO SEWER COMPANY – JOINT APPLICATION FOR EXTENSION OF THEIR EXISTING CERTIFICATES OF CONVENIENCE AND NECESSITY FOR WATER AND WASTEWATER SERVICES (DOCKET NOS. W-02121A-06-

Arizona Corporation Commission

DOCKETED

OCT 182006

0316 AND SW-02563A-06-0316)

Attached is the Staff Report for Livco Water Company and Livco Sewer Company joint application for an extension of their existing Certificates of Convenience and Necessity to provide water and wastewater services. Staff is recommending approval with conditions.

EGJ:BNC:red

Originator: Blessing Chukwu

2006 OCT 18 A 8: 4

30

Service List for: Livco Water Company and Livco Sewer Company Docket Nos. W-02121A-06-0316 and SW-02563A-06-0316

Mr. Richard L. Sallquist Sallquist, Drummond & O'Connor 4500 South Lakeshore Drive, Suite 339 Tempe, AZ 85282

Mr. Christopher C. Kempley Chief, Legal Division Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007

Mr. Ernest G. Johnson Director, Company Division Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007

Ms. Lyn Farmer Chief, Hearing Division Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007

STAFF REPORT UTILITIES DIVISION ARIZONA CORPORATION COMMISSION

LIVCO WATER COMPANY AND LIVCO SEWER COMPANY W-02121A-06-0316 AND SW-02563A-06-0316

JOINT APPLICATION FOR EXTENSION OF THEIR EXISTING CERTIFICATES OF CONVENIENCE AND NECESSITY

STAFF ACKNOWLEDGMENT

The Staff Report for Livco Water Company and Livco Sewer Company (Docket Nos. W-02121A-06-0316 and SW-02563A-06-0316) was the responsibility of the Staff members signed below. Blessing Chukwu was responsible for the review and analysis of the Companies' application. Marlin Scott, Jr. was responsible for the engineering and technical analysis.

Blessing Chukwu

Executive Consultant III

Marlin Scott, Jr. Utilities Engineer

EXECUTIVE SUMMARY LIVCO WATER COMPANY AND LIVCO SEWER COMPANY DOCKET NOS. W-02121A-06-0316 AND SW-02563A-06-0316

On May 4, 2006, Livco Water Company ("LWC" or "Water Company") and Livco Sewer Company ("LSC" or "Wastewater Company") collectively referred to as ("The Utilities") filed a joint application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of their Certificates of Convenience and Necessity ("CC&N") to provide water and wastewater services in portions of Apache County, Arizona. On September 7, 2006, Staff filed a Sufficiency Letter for the Utilities indicating that the application had met the sufficiency requirements of A.A.C. R14-2-402 and A.A.C. R14-2-602.

LWC and LSC are Arizona Corporations, in good standing with the Corporations Division, and engaged in providing water and wastewater utility services to customers in a portion of Apache County, Arizona. Country Club Properties of Concho, Inc. owns all of the shares of the Utilities.

This filing is a compliance item per Decision No. 68751 due to the fact that LWC is providing service to customers outside its CC&N. According to LSC, sewer service is not being provided to customers outside its CC&N. LSC has applied for a sewer CC&N extension, along with water CC&N extension, for the proposed Concho West Shore development. By this application, the Utilities are seeking Commission authority to add approximately three square-miles to LWC's existing 2-1/4 square-miles of certificated area and to add approximately 1/16 square-mile to the LSC's existing 1-1/4 square-miles of certificated area. The Utilities serve the communities of Old Concho Townsite and Concho Valley, located 15 miles west and 18 miles southwest, respectively, of St. Johns, Apache County, along State Highway 61.

Based on Staff's review and analysis of the applications, Staff believes that the existing LWC water system will have adequate production and storage capacity to serve the existing and proposed CC&N extension areas within a conventional five year planning period and can reasonably be expected to develop additional production and storage as required in the future. Staff also believes that the existing LSC Wastewater Treatment Plant will have adequate capacity to serve the existing and proposed CC&N extension areas.

Staff recommends the Commission issue an Order Preliminary to the Utilities' for extension of their respective CC&N to provide water and wastewater services in Apache County, Arizona, subject to compliance with the following conditions:

- 1. To require LWC to charge its authorized rates and charges in the extension area.
- 2. To require LWC to file with Docket Control, as a compliance item in this docket, a copy the developer's Letter of Adequate Water Supply ("LAWS") for Concho Valley Units 1, 3, 33 and the Concho West Shore development within two years of the effective date of the order granting the Order Preliminary.

- 3. To require LWC to file with Docket Control, as a compliance item in this docket, a copy of the Apache County franchise agreement for the extension area (which covers specifically all of Sections 7, 29 and 33, and Concho West Shore Subdivision in Section 18, all in Township 12 North, Range 26 East) within two years of the effective date of the order granting the Order Preliminary.
- 4. To require LSC to charge its authorized rates and charges in the extension area.
- 5. To require LSC to file with Docket Control, as a compliance item in this docket, a copy of the Apache County franchise agreement for the extension area (which covers specifically all of Sections 7, 29 and 33, and Concho West Shore Subdivision in Section 18, all in Township 12 North, Range 26 East) within two years of the effective date of the order granting the Order Preliminary.
- 6. That after LWC and LSC complies with above requirements 2, 3 and 5 the Utilities shall make a filing stating so. Within 30 days of this filing, Staff shall file a response. The Commission should schedule this item for a vote to grant the CC&N as soon as possible after Staff's filing that confirms the Utilities' compliance with items 2, 3, and 5.

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Introduction

On May 4, 2006, Livco Water Company ("LWC" or "Water Company") and Livco Sewer Company ("LSC" or "Wastewater Company") collectively referred to as ("The Utilities") filed a joint application with the Arizona Corporation Commission ("ACC" or "Commission") for an extension of their Certificates of Convenience and Necessity ("CC&N") to provide water and wastewater services in portions of Apache County, Arizona.

On June 1, 2006, the ACC Utilities Division ("Staff") filed an Insufficiency Letter, indicating that the Utilities' applications did not meet the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R-14-2-402(C) and R-14-2-602(B). A copy of the Insufficiency Letter was sent to the Utilities via U.S mail. In the letter, Staff listed the deficiencies that needed to be cured for administrative purposes.

On September 7, 2006, Staff filed a Sufficiency Letter for the Utilities indicating that the application had met the sufficiency requirements of A.A.C. R14-2-402 and A.A.C. R14-2-602.

Background

The Utilities are Arizona corporations, in good standing with the Corporations Division, and engaged in providing water and wastewater utility services to customers in portions of Apache County, Arizona. Country Club Properties of Concho, Inc. owns all of the shares of the Utilities.

Staff determined during its review of the Utilities rate application in Docket Nos. W-02121A-06-0316 and SW-02563A-06-0316 that LWC was serving customers outside its CC&N area, specifically in Sections 29 and 33, all in Township 12 North, Range 26 East. The Utilities were ordered by Decision No. 68751 (June 5, 2006) to file within 90 days of the effective date of the decision, an application for the extension of their CC&N to include sections 29 and 33.

This filing is a compliance item per Decision No. 68751 due to the fact that LWC is providing service to customers outside its CC&N. According to LSC, sewer service is not being provided to customers outside its CC&N. LSC has applied for a sewer CC&N extension, along with water CC&N extension, for the proposed Concho West Shore development. By this application, the Utilities are seeking Commission authority to add approximately three square-miles to LWC's existing 2-1/4 square-miles of certificated area and to add approximately 1/16 square-mile to the LSC's existing 1-1/4 square-miles of certificated area. The Utilities serve the communities of Old Concho Townsite and Concho Valley, located 15 miles west and 18 miles southwest, respectively, of St. Johns, Apache County, along State Highway 61.

The Water System

According to the Water Use Data Sheet submitted by LWC, the Water Company has two wells producing 391 gallons per minute ("GPM"), two storage tanks (250,000 gallon and 25,000

gallon), and a distribution system serving 358 service connections as of January 2006. It is anticipated that the existing service area could grow to approximately 390 connections at the end of five years. The Company has predicted an additional 47 connections for the proposed CC&N extension at the end of five years, resulting in a projected total customer base of approximately 437 at the end of five years. Based on the existing well production and storage capacities, the system can serve approximately 470 service connections.

The Water Company is currently serving customers in three of the four requested parcel areas:

Section 7: Most of this section has been subdivided as Concho Valley Unit 1 that has 380 available lots with 42 lots currently being served by the water system.

Section 18: A proposed development, Concho West Shore Subdivision, will serve 47 lots by extending the water system into this requested area at an estimated cost of \$181,382 through the use of a main extension agreement.

Section 29: Most of this section has been subdivided as Concho Valley Unit 3 that has 358 available lots with one lot currently being served by the water system.

Section 33: This section has been subdivided as Concho Valley Unit 33 that has 80 available lots with 25 lots currently being served by the water system.

Staff concludes that the proposed plant facility for the Concho West Shore Subdivision and its cost estimate totaling \$181,382 is reasonable. However, no "used and useful" determinations of the proposed plant item were made and no particular treatment should be inferred for rate making or rate base purposes.

Staff also concludes that the existing system will have adequate production and storage capacity to serve the existing and proposed CC&N extension areas within a conventional five year planning period and can reasonably be expected to develop additional production and storage as required in the future.

The Arizona Department of Environmental Quality ("ADEQ") Certificates of Approval to Construct ("ATC") for facilities needed to serve the requested areas, Concho Valley Units 1, 3, 33 and Concho West Shore Subdivision, have been issued by ADEQ.

ADEQ Compliance

The ADEQ reported LWC's system, PWS #01-018, had no deficiencies and is currently delivering water that meets the water quality standard required by Arizona Administrative Code, Title 18, Chapter 4.

Arizona Department of Water Resources ("ADWR") Compliance

LWC is not located in any Active Management Area, and consequently is not subject to reporting and conservation requirements.

According to LWC, the developer will be submitting an application for a Letter of Adequate Letter Supply ("LAWS"). Staff recommends that LWC file with Docket Control, as a compliance item in this docket, a copy the developer's LAWS for Concho Valley Units 1, 3, 33 and the Concho West Shore development within two years of the effective date of the order granting the Order Preliminary.

ACC Compliance

According to the Utilities Division Compliance Section, LWC has no outstanding ACC compliance issues.

Arsenic

The U.S. Environmental Protection Agency ("EPA") has reduced the arsenic maximum contaminant level ("MCL") in drinking water from 50 micrograms per liter (" μ g/l") or parts per billion ("ppb") to 10 μ g/l. According to the Water Company's annual report, the arsenic level for Well No. 1 is 5 ppb and Well No. 2 is 3 ppb. Based on these levels, the Water Company is in compliance with the new arsenic standard of 10 ppb.

Curtailment Plan Tariff

A Curtailment Plan Tariff ("CPT") is an effective tool to allow a water company to manage its resources during periods of shortages due to pump breakdowns, droughts, or other unforeseeable events.

LWC has an approved curtailment tariff that became effective on May 11, 2005.

Backflow Prevention Tariff

The purpose of a Backflow Prevention Tariff is to protect a water company's water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises.

LWC has an approved backflow prevention tariff that became effective on May 11, 2005.

The Wastewater System

According to LSC's 2005 Annual Report, the Company has a 20,000 gallon per day ("GPD") primary settling lagoon, six lift stations and a collection system serving 24 service

laterals. It is anticipated that the existing service area could grow to approximately 33 connections at the end of five years. The Wastewater Company has predicted an additional 47 connections for the proposed CC&N extension at the end of five years, resulting in a projected total customer base of approximately 80 at the end of five years. Based on the existing wastewater treatment capacity, this system can serve approximately 53 service laterals.

In the rate case Engineering Report, dated February 22, 2006, for Decision No. 68751, LSC's treatment facility was reported to be 337,000 GPD with the plant facility having numerous settling ponds. It appears the Wastewater Company has modified its settling ponds to have a current capacity of 20,000 GPD and could be re-modified to accommodate additional future flows.

LSC is proposing to extend its collection system to the proposed Concho West Shore Subdivision development. This extension will serve 47 lots at an estimated cost of \$244,913 that will be funded through the use of a main extension agreement.

Staff concludes that the proposed plant facility for the Concho West Shore Subdivision and its cost estimate totaling \$244,913 is reasonable. However, no "used and useful" determinations of the proposed plant item were made and no particular treatment should be inferred for rate making or rate base purposes.

Staff also concludes that the existing wastewater treatment system will have adequate capacity to serve the existing and proposed CC&N extension area within a conventional five year planning period and can reasonably be expected to develop additional capacity as required in the future.

ADEQ Compliance

The ADEQ reported this sewer system, Inventory No. 102422, had no deficiencies and is in total compliance with its regulations.

The ADEQ issued a General Permit for construction authorization for facilities to serve the requested area, Concho West Shore Subdivision, on May 8, 2006.

The ADEQ issued an Aquifer Protection Permit ("APP"), No. P-102422, on April 27, 1992 for LSC's wastewater treatment system.

ACC Compliance

According to the Utilities Division Compliance Section, LSC has no outstanding ACC compliance issues.

Proposed Rates

LWC and LSC have proposed to provide water and wastewater utility services to the extension area under their respective authorized rates and charges.

Franchise

Every applicant for a CC&N and/or CC&N extension is required to submit to the Commission evidence showing that the applicant has received the required consent, franchise or permit from the proper authority, pursuant to ARS 40-282.B. If the applicant operates in an unincorporated area, the applicant has to obtain the franchise from the County. If the applicant operates in an incorporated area of the County, the applicant has to obtain the franchise from the City/Town.

The extension area is located in an unincorporated area of Apache County. The Utilities submitted an Apache County franchise agreement for Concho Valley Units 9, 9A and 10, which are not the subject of this instant application. As such, Staff recommends that LWC and LSC be required to file with Docket Control, as a compliance item in this docket, a copy of the Apache County franchise agreement for the extension area (which covers specifically all of Sections 7, 29 and 33, and Concho West Shore Subdivision in Section 18, all in Township 12 North, Range 26 East) within two years of the effective date of the order granting the Order Preliminary.

Recommendations

Staff recommends the Commission issue an Order Preliminary to the Utilities' for extension of their respective CC&N to provide water and wastewater services in Apache County, Arizona, subject to compliance with the following conditions:

- 1. To require LWC to charge its authorized rates and charges in the extension area.
- 2. To require LWC to file with Docket Control, as a compliance item in this docket, a copy the developer's Letter of Adequate Water Supply ("LAWS") for Concho Valley Units 1, 3, 33 and the Concho West Shore development within two years of the effective date of the order granting the Order Preliminary.
- 3. To require LWC to file with Docket Control, as a compliance item in this docket, a copy of the Apache County franchise agreement for the extension area (which covers specifically all of Sections 7, 29 and 33, and Concho West Shore Subdivision in Section 18, all in Township 12 North, Range 26 East) within two years of the effective date of the order granting the Order Preliminary.
- 4. To require LSC to charge its authorized rates and charges in the extension area.

- 5. To require LSC to file with Docket Control, as a compliance item in this docket, a copy of the Apache County franchise agreement for the extension area (which covers specifically all of Sections 7, 29 and 33, and Concho West Shore Subdivision in Section 18, all in Township 12 North, Range 26 East) within two years of the effective date of the order granting the Order Preliminary.
- 6. That after LWC and LSC complies with above requirements 2, 3 and 5 the Utilities shall make a filing stating so. Within 30 days of this filing, Staff shall file a response. The Commission should schedule this item for a vote to grant the CC&N as soon as possible after Staff's filing that confirms the Utilities' compliance with items 2, 3, and 5.

MEMORANDUM

DATE:

September 28, 2006

TO:

Blessing Chukwu

Executive Consultant III

FROM:

Marlin Scott, Jr. W/Y
Utilities Engineer

RE:

Livco Water Company

Docket No. W-02121A-06-0316 (CC&N Extension)

Introduction

Livco Water Company ("Company") has applied to extend its Certificate of Convenience and Necessity ("CC&N"). The requested area will add approximately three square-miles to the Company's existing 2-1/4 square-miles of certificated area. The Company serves the community of Concho Valley, which is located approximately 18 miles southwest of St. Johns along State Highway 61 in Apache County.

This CC&N extension filing is a rate proceeding compliance item per Decision No. 68751 (June 5, 2006) due to the fact that the Company was providing service to customers outside its CC&N.

Capacity

Existing Utility Plant

According to the Water Use Data Sheet submitted by the Company, the Company has two wells producing 391 gallons per minute ("GPM"), two storage tanks (250,000 gallon and 25,000 gallon), and a distribution system serving 358 service connections as of January 2006. It is anticipated that the existing service area could grow to approximately 390 connections at the end of five years. The Company has predicted an additional 47 connections for the proposed CC&N extension at the end of five years, resulting in a projected total customer base of approximately 437 at the end of five years. Based on the existing well production and storage capacities, the system can serve approximately 470 service connections.

Existing/Proposed Plant Facilities

The Company is currently serving customers in three of the four requested parcel areas:

- 1. Section 7: Most of this section has been subdivided as Concho Valley Unit 1 that has 380 available lots with 42 lots currently being served by the water system.
- 2. Section 18: A proposed development, Concho West Shore Subdivision, will serve 47 lots by extending the water system into this requested area at an estimated cost of \$181,382 through the use of a main extension agreement.
- 3. Section 29: Most of this section has been subdivided as Concho Valley Unit 3 that has 358 available lots with one lot currently being served by the water system.
- 4. Section 33: This section has been subdivided as Concho Valley Unit 33 that has 80 available lots with 25 lots currently being served by the water system.

Staff concludes that the proposed plant facility for the Concho West Shore Subdivision and its cost estimate totaling \$181, 382 is reasonable. However, no "used and useful" determinations of the proposed plant item were made and no particular treatment should be inferred for rate making or rate base purposes.

Staff concludes that the existing system will have adequate production and storage capacity to serve the existing and proposed CC&N extension areas within a conventional five year planning period and can reasonably be expected to develop additional production and storage as required in the future.

Arizona Department of Environmental Quality ("ADEQ") Compliance

Compliance Status

The ADEQ reported the Company's system, PWS #01-018, had no deficiencies and is currently delivering water that meets the water quality standard required by Arizona Administrative Code, Title 18, Chapter 4.

Certificate of Approval to Construct

The ADEQ Certificates of Approval to Construct for facilities to serve the requested areas, Concho Valley Units 1, 3, 33 and Concho West Shore Subdivision, have been issued by ADEQ.

Arsenic

According to the Company annual reports, the arsenic level for Well #1 is 5 parts per billion ("ppb") ppb and Well #2 is 3 ppb. Based on these levels, the Company is in compliance with the new arsenic standard of 10 ppb.

Arizona Department of Water Resources Compliance

Compliance Status

The Company is not located in any Active Management Area, and consequently is not subject to reporting and conservation requirements.

Letter of Adequate Water Supply ("LAWS")

According to the Company, the developer will be submitting an application for a LAWS. Staff recommends that the Company file with Docket Control, as a compliance item in this docket, a copy the developer's LAWS for the Concho West Shore development within two years after the effective date of a decision in this case.

Arizona Corporation Commission Compliance

A check with the Utilities Division Compliance Section showed that the Company had no outstanding Commission compliance issues.

Curtailment Tariff

The Company has an approved curtailment tariff that became effective on May 11, 2005.

Backflow Prevention Tariff

The Company has an approved backflow prevention tariff that became effective on May 11, 2005.

Summary

Conclusions

- A. Staff concludes that the proposed plant facility for the Concho West Shore Subdivision and its cost estimate totaling \$181, 382 is reasonable. However, no "used and useful" determinations of the proposed plant item were made and no particular treatment should be inferred for rate making or rate base purposes.
- B. Staff concludes that the existing system will have adequate production and storage capacity to serve the existing and proposed CC&N extension area within a

- conventional five year planning period and can reasonably be expected to develop additional production and storage as required in the future.
- C. The ADEQ reported the Company's system, PWS #01-018, had no deficiencies and is currently delivering water that meets the water quality standard required by Arizona Administrative Code, Title 18, Chapter 4.
- D. The ADEQ Certificates of Approval to Construct for facilities to serve the requested areas, Concho Valley Units 1, 3, 33 and Concho West Shore Subdivision, have been issued by ADEQ.
- E. According to the Company annual reports, the arsenic level for Well #1 is 5 ppb and Well #2 is 3 ppb. Based on these levels, the Company is in compliance with the new arsenic standard of 10 ppb.
- F. The Company is not located in any Active Management Area, and consequently is not subject to reporting and conservation requirements.
- G. The Company has an approved curtailment tariff that became effective on May 11, 2005.
- H. The Company has an approved backflow prevention tariff that became effective on May 11, 2005.

Recommendation

1. Staff recommends that the Company file with Docket Control, as a compliance item in this docket, a copy the developer's LAWS for Concho Valley Units 1, 3, 33 and the Concho West Shore developments within two years after the effective date of a decision in this case.

MEMORANDUM

DATE:

September 28, 2006

TO:

Blessing Chukwu

Executive Consultant III

FROM:

Marlin Scott, Jr. WAN
Utilities Engineer

RE:

Livco Sewer Company

Docket No. SW-02563A-06-0316 (CC&N Extension)

Introduction

Livco Sewer Company ("Company") has applied to extend its Certificate of Convenience and Necessity ("CC&N"). The requested area will add approximately 1/16 square-mile to the Company's existing 1-1/4 square-miles of certificated area. The Company serves the community of Concho Valley, which is located approximately 18 miles southwest of St. Johns along State Highway 61 in Apache County.

This CC&N extension filing is a rate proceeding compliance item per Decision No. 68751 (June 5, 2006). According to the Company, sewer service is not being provided to customers outside its CC&N. The Company has applied for a sewer CC&N extension, along with water CC&N extension, for the proposed Concho West Shore development.

Capacity

Existing Utility Plant

According to the Company's 2005 Annual Report, the Company has a 20,000 gallon per day ("GPD") primary settling lagoon, six lift stations and a collection system serving 24 It is anticipated that the existing service area could grow to service laterals. approximately 33 connections at the end of five years. The Company has predicted an additional 47 connections for the proposed CC&N extension at the end of five years, resulting in a projected total customer base of approximately 80 at the end of five years. Based on the existing wastewater treatment capacity, this system can serve approximately 53 service laterals.

In the rate case Engineering Report, dated February 22, 2006, for Decision No. 68751, the Company's treatment facility was reported to be 337,000 GPD with the plant facility

having numerous settling ponds. It appears the Company has modified its settling ponds to have a current capacity of 20,000 GPD and could be re-modified to accommodate additional future flows.

Proposed Plant Facilities

The Company is proposing to extend its collection system to the proposed Concho West Shore Subdivision development. This extension will serve 47 lots at an estimated cost of \$244, 913 that will be funded through the use of a main extension agreement.

Staff concludes that the proposed plant facility for the Concho West Shore Subdivision and its cost estimate totaling \$244,913 is reasonable. However, no "used and useful" determinations of the proposed plant item were made and no particular treatment should be inferred for rate making or rate base purposes.

Staff concludes that the existing wastewater treatment system will have adequate capacity to serve the existing and proposed CC&N extension area within a conventional five year planning period and can reasonably be expected to develop additional capacity as required in the future.

Arizona Department of Environmental Quality ("ADEQ") Compliance

Compliance Status

The ADEQ reported this sewer system, Inventory No. 102422, had no deficiencies and is in total compliance with its regulations.

Construction Authorization (General Permit)

The ADEQ issued a General Permit for construction authorization for facilities to serve the requested area, Concho West Shore Subdivision, on May 8, 2006.

Aguifer Protection Permit ("APP")

The ADEQ issued an APP, No. P-102422, on April 27, 1992 for the Company's wastewater treatment system.

Arizona Corporation Commission Compliance

A check with the Utilities Division Compliance Section showed that the Company had no outstanding Commission compliance issues.

Summary

Conclusions

- A. Staff concludes that the proposed plant facility for the Concho West Shore Subdivision and its cost estimate totaling \$244,913 is reasonable. However, no "used and useful" determinations of the proposed plant item were made and no particular treatment should be inferred for rate making or rate base purposes.
- B. Staff concludes that the existing wastewater treatment system will have adequate capacity to serve the existing and proposed CC&N extension area within a conventional five year planning period and can reasonably be expected to develop additional capacity as required in the future.
- C. The ADEQ reported this sewer system, Inventory No. 102422, had no deficiencies and is in total compliance with its regulations.
- D. The ADEQ issued a General Permit for construction authorization for facilities to serve the requested area, Concho West Shore Subdivision, on May 8, 2006.
- E. The ADEQ issued an APP, No. P-102422, on April 27, 1992 for the Company's wastewater treatment system.
- F. A check with the Utilities Division Compliance Section showed that the Company had no outstanding Commission compliance issues.

<u>MEMORANDUM</u>

TO:

Blessing Chukwu

Executive Consultant III

Utilities Division

FROM:

Barb Wells

Information Technology Specialist

Utilities Division

THRU:

Del Smith /

Engineering Supervisor

Utilities Division

DATE:

August 1, 2006

RE:

LIVCO WATER COMPANY (DOCKET NO. W-02121A-06-0316)

LIVCO SEWER COMPANY (DOCKET NO. SW-02563A-06-0316) **REVISED LEGAL DESCRIPTION**

The area requested by Livco for an extension has been plotted using a revised legal description, which has been docketed. This legal description is attached and should be used in place of the original description submitted with the application.

Also attached is a copy of the map for your files.

:bsw

Attachments

cc: Mr. Richard Sallquist

Ms. Deb Person (Hand Carried)

File

Error

An error occurred while processing this page. See the system log for more details.

LIVCO WATER COMPANY AND LIVCO SEWER COMPANY DOCKET NOS. W-02121A-06-0316 AND SW-02563A-06-0316 AMENDED LEGAL DESCRIPTION

REQUESTED WATER EXPANSION AREA

Parcel 1

Concho West Shore Subdivision – A portion of Sections 7 and 18, Township 12 North, Range 26 East, Gila and Salt River Base and Meridian, Apache County, Arizona, more particularly described as follows:

Commencing at a point marking the Northeast corner of said Section 18; THENCE South 86° 00' 07" West along the common boundary between Sections 7 and 18, a distance of 1,874.18 feet to the TRUE POINT OF BEGINNING;

THENCE South 00° 50' 31" West, a distance of 1,378.86 feet to a point on the South boundary of the Northwest Quarter of the Northeast Quarter of Section 18, said point lying South 86° 24' 11" West, a distance of 426.43 feet from the Northeast 1/16 Section corner;

THENCE South 86° 24' 11" West along said 1/16 Section line, a distance of 898.76 feet to a point on the Easterly right-of-way boundary of State Highway 61;

THENCE North 18° 33' 42" East along the highway right-of-way, a distance of 1,437.83 feet to a point of curvature;

THENCE Northerly along the right-of-way boundary and along a curve being concave to the East, having a radius of 3,745 feet, through a central angle of 05° 14' 54", a distance of 343.05 feet;

THENCE South 69° 00' 28" East, a distance of 361.78 feet;

THENCE South 00° 50' 31" West, a distance of 118.16 feet to the TRUE POINT OF BEGINNING.

Containing 23.04 acres, more or less Subject to any existing easements or restrictions

Parcel 2

All of Section 7 except Parcel 1 and those areas previously certificated to the Company

Parcel 3

All of Section 29 except those areas previously certificated to the Company

Parcel 4

All of Section 33

All located in Township 12 North, Range 26 East, G&SRB&M, Apache County, Arizona

REVISED EXHIBIT B July 12, 2006

DOCKET NOS. W-02121A-06-0316 AND SW-02563A-06-0316 AMENDED LEGAL DESCRIPTION

REQUESTED SEWER EXPANSION AREA

Parcel 1

Concho West Shore Subdivision – A portion of Sections 7 and 18, Township 12 North, Range 26 East, Gila and Salt River Base and Meridian, Apache County, Arizona, more particularly described as follows:

Commencing at a point marking the Northeast corner of said Section 18; THENCE South 86° 00' 07" West along the common boundary between Sections 7 and 18, a distance of 1,874.18 feet to the TRUE POINT OF BEGINNING;

THENCE South 00° 50' 31" West, a distance of 1,378.86 feet to a point on the South boundary of the Northwest Quarter of the Northeast Quarter of Section 18, said point lying South 86° 24' 11" West, a distance of 426.43 feet from the Northeast 1/16 Section corner;

THENCE South 86° 24' 11" West along said 1/16 Section line, a distance of 898.76 feet to a point on the Easterly right-of-way boundary of State Highway 61;

THENCE North 18° 33' 42" East along the highway right-of-way, a distance of 1,437.83 feet to a point of curvature;

THENCE Northerly along the right-of-way boundary and along a curve being concave to the East, having a radius of 3,745 feet, through a central angle of 05° 14′ 54″, a distance of 343.05 feet;

THENCE South 69° 00' 28" East, a distance of 361.78 feet;

THENCE South 00° 50' 31" West, a distance of 118.16 feet to the TRUE POINT OF BEGINNING.

Containing 23.04 acres, more or less Subject to any existing easements or restrictions